

Public Law 324

CHAPTER 126

AN ACT

To reduce excise taxes, and for other purposes.

March 31, 1954
[H. R. 8224]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) **SHORT TITLE.**—This Act may be cited as the “Excise Tax Reduction Act of 1954”.

Excise Tax Re-
duction Act of
1954.

(b) **ACT AMENDATORY OF INTERNAL REVENUE CODE.**—Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to or repeal of a section, subsection, paragraph, or subparagraph, the reference shall be considered to be made to a provision of the Internal Revenue Code.

53 Stat., Pt. 1.
Title 26, USC.

TITLE I—RETAILERS’ EXCISE TAXES

SEC. 101. RETAILERS’ EXCISE TAX ON LUGGAGE, ETC.

Section 1651 (a) (relating to retailers’ excise tax on luggage, etc.) is hereby amended by striking out “20 per centum” and inserting in lieu thereof “10 per centum”.

SEC. 102. RETAILERS’ EXCISE TAXES ON JEWELRY, FURS, AND TOILET PREPARATIONS.

For reduction in rate of retailers’ excise taxes on jewelry, furs, and toilet preparations, see section 504 (a).

SEC. 103. EFFECTIVE DATE OF TITLE I.

For effective date of this title, see section 505 (a).

TITLE II—TAXES ON ADMISSIONS AND DUES

SEC. 201. TAX ON ADMISSIONS.

(a) **PERMANENT USE OR LEASE OF BOXES OR SEATS.**—Section 1700 (b) (1) (relating to tax on permanent use or lease of boxes or seats) is hereby amended by striking out “11 per centum” and inserting in lieu thereof “10 per centum”.

(b) **SALES OUTSIDE BOX OFFICE.**—Section 1700 (c) (1) (relating to tax on sales outside box office) is hereby amended by striking out “11 per centum” and inserting in lieu thereof “10 per centum”.

(c) **CABARETS, ROOF GARDENS, ETC.**—The first sentence of section 1700 (e) (1) (relating to tax on cabarets, roof gardens, etc.) is hereby amended to read as follows: “A tax equivalent to 20 per centum of all amounts paid for admission, refreshment, service, or merchandise, at any roof garden, cabaret, or other similar place furnishing a public performance for profit, by or for any patron or guest who is entitled to be present during any portion of such performance.”

(d) **SINGLE OR SEASON TICKETS AND SUBSCRIPTIONS.**—For reduction in rate of tax on admission by single or season ticket or subscription, see section 504 (a).

(e) **RATE TO APPLY TO MAJOR FRACTIONS.**—Section 1700 (a) (1) (relating to rate of tax on single or season tickets and subscriptions) is hereby amended by striking out “fraction” and inserting in lieu thereof “major fraction”.

(f) **EXEMPTION OF ADMISSIONS OF FIFTY CENTS OR LESS.**—Section 1700 (a) (1) (relating to rate of tax on single or season tickets and subscriptions) is hereby amended by striking out the second sentence thereof and inserting in lieu thereof the following: “No tax shall be imposed under this paragraph on the amount paid for admission—

“(A) if the amount paid for admission is 50 cents or less, or

“(B) in the case of a season ticket or subscription, if the amount which would be charged to the holder or subscriber for a single admission is 50 cents or less.”

(g) ADMISSIONS TO CERTAIN RACE TRACKS.—

(1) Section 1700 (a) (relating to rate of tax on single or season tickets and subscriptions) is hereby amended by adding at the end thereof the following:

“(3) CERTAIN RACE TRACKS.—In lieu of the tax imposed under paragraph (1), a tax of 1 cent for each 5 cents or major fraction thereof of the amount paid for admission to any place (including admission by season ticket or subscription) if the principal amusement or recreation offered with respect to such admission is horse or dog racing at a race track. The tax imposed under this paragraph shall be paid by the person paying for such admission.”

(2) Section 1700 (b) (relating to rate of tax on permanent use or lease of boxes or seats) is hereby amended—

(A) by striking out “paragraph (1) of subsection (a)” and inserting in lieu thereof “paragraph (1) or (3) of subsection (a)”; and

(B) by inserting after “per centum” the following: “(20 per centum if paragraph (3) of subsection (a) would otherwise apply)”.

(3) Section 1700 (c) (relating to rate of tax on sales outside box office) is hereby amended—

(A) by striking out “paragraph (1) of subsection (a)” and inserting in lieu thereof “paragraph (1) or (3) of subsection (a)”; and

(B) by inserting after “per centum” the following: “(20 per centum if paragraph (3) of subsection (a) applies)”.

(4) The last sentence of section 1700 (e) (1) (relating to tax on cabarets, roof gardens, etc.) is hereby amended by striking out “subsection (a) (1)” and inserting in lieu thereof “paragraph (1) or (3) of subsection (a)”.

(h) CERTAIN ATHLETIC GAMES FOR BENEFIT OF HOSPITALS FOR CRIPPLED CHILDREN.—Section 1701 (a) (2) (relating to nonexempt admissions) is hereby amended by striking out “between two elementary or secondary schools” and inserting in lieu thereof the following: “between teams composed of students from elementary or secondary schools”.

(i) EXEMPTION OF SCHOOL OR COLLEGE ATHLETIC EVENTS.—Section 1701 (a) (2) (relating to nonexempt admissions) is hereby amended by adding at the end thereof the following new sentence: “Clauses (A) and (B) shall not apply in the case of any athletic event between educational institutions held during the regular athletic season for such event, if the proceeds therefrom inure exclusively to the benefit of such institutions.”

(j) HISTORIC SITES, MUSEUMS, AND PLANETARIUMS.—Section 1701 (e) (2) (relating to exemption from admissions tax of historic sites) is hereby amended to read as follows:

“(2) HISTORIC SITES, MUSEUMS, AND PLANETARIUMS.—Any admission to an historic site, house, or shrine, to a museum of history, art, or science, to a planetarium, or to any exhibition in connection with any of the foregoing, operated—

“(A) by any State or political subdivision thereof or by the United States or any agency or instrumentality thereof— if the proceeds therefrom inure exclusively to the benefit of the State, political subdivision, United States, agency, or instrumentality, or

“(B) by any society or organization not organized for profit—if no part of the net earnings thereof inures to the benefit of any private stockholder or individual.

For the purposes of subparagraph (A), the term ‘State’ includes Alaska, Hawaii, and the District of Columbia.”

(k) CERTAIN AMATEUR THEATER PERFORMANCES.—Section 1701 (relating to exemptions from the admissions tax) is hereby amended—

(1) by striking out the period at the end of subsection (e) and inserting in lieu thereof “; or”; and

(2) by adding at the end thereof a new subsection as follows:

“(f) CERTAIN AMATEUR THEATER PERFORMANCES.—Any admission to an amateur performance presented and performed by a civic or community theater group or organization—if no part of the net earnings thereof inures to the benefit of any private stockholder or individual.”

SEC. 202. TAX ON DUES.

(a) DUES OR MEMBERSHIP FEES.—Section 1710 (a) (1) (relating to tax on dues or membership fees) is hereby amended by striking out “11 per centum” and inserting in lieu thereof “20 per centum”.

(b) INITIATION FEES.—Section 1710 (a) (2) (relating to tax on initiation fees) is hereby amended by striking out “11 per centum” and inserting in lieu thereof “20 per centum”.

SEC. 203. EFFECTIVE DATE OF TITLE II.

The amendments made by section 201 (other than subsection (b) thereof) shall apply only with respect to amounts paid for admissions on or after April 1, 1954. In addition, such amendments shall apply—

(1) in the case of any season ticket or subscription, only if all the admissions under such ticket or subscription can occur only on or after April 1, 1954; and

(2) in the case of the permanent use of a box or seat or a lease for the use of such box or seat, only if all the performances or exhibitions at which the box or seat is used or reserved by or for the lessee or holder can occur only on or after April 1, 1954.

The amendment made by subsection (b) shall apply only with respect to amounts paid on or after April 1, 1954, for admissions on or after such date.

TITLE III—MANUFACTURERS’ EXCISE TAXES

SEC. 301. EXCISE TAXES IMPOSED BY THE REVENUE ACT OF 1941.

(a) TAX ON SPORTING GOODS.—Section 3406 (a) (1) (relating to manufacturers’ excise tax on sporting goods) is hereby amended by striking out “15 per centum, except that on and after April 1, 1954, the rate shall be 10 per centum;”.

(b) TAX ON PHOTOGRAPHIC APPARATUS.—Section 3406 (a) (4) (relating to manufacturers’ excise tax on photographic apparatus) is hereby amended by striking out “20 per centum” and inserting in lieu thereof “10 per centum”.

(c) TAX ON ELECTRIC LIGHT BULBS AND TUBES.—Section 3406 (a) (10) (relating to manufacturers’ excise tax on electric light bulbs and tubes) is hereby amended to read as follows:

“(10) ELECTRIC LIGHT BULBS AND TUBES.—Electric light bulbs and tubes, not including articles taxable under any other provision of this subchapter, 10 per centum.”

SEC. 302. TAX ON MECHANICAL PENCILS, FOUNTAIN AND BALL-POINT PENS, AND MECHANICAL LIGHTERS FOR CIGARETTES, CIGARS, AND PIPES.

Section 3408 (a) (relating to tax on mechanical pencils, fountain and ball-point pens, and mechanical lighters for cigarettes, cigars, and pipes) is hereby amended by striking out "15 per centum" and inserting in lieu thereof "10 per centum".

SEC. 303. TAX ON MATCHES.

Section 3409 (a) (relating to manufacturers' excise tax on matches) is hereby amended by striking out "2 cents per 1,000 matches" and inserting in lieu thereof the following: "2 cents per 1,000 matches but not more than 10 per centum of the price for which so sold".

SEC. 304. CUTTING OILS.

Section 3413 (relating to tax on lubricating oils) is hereby amended—

(a) by inserting after "6 cents a gallon" the following: "(except that, in the case of cutting oils, the tax shall not exceed 10 per centum of the price for which so sold)"; and

(b) by adding at the end of such section a new sentence as follows: "For the purposes of this section, the term 'cutting oils' means oils used primarily in cutting and machining operations (including forging, drawing, rolling, shearing, punching, and stamping) on metals and known commercially as cutting oils."

SEC. 305. REDUCTION OF TAX ON REFRIGERATORS AND QUICK-FREEZE UNITS AND ON ELECTRIC, GAS, AND OIL HOUSEHOLD APPLIANCES.

(a) **REDUCTION OF TAX.**—Section 3405 (relating to manufacturers' excise tax on refrigerators, quick-freeze units, and self-contained air-conditioning units) is hereby amended by striking out "10 per centum" and inserting in lieu thereof the following: "5 per centum (10 per centum in the case of articles subject to tax under subsection (c))"; and section 3406 (a) (3) (relating to manufacturers' excise tax on electric, gas, and oil appliances) is hereby amended by striking out "10 per centum" and inserting in lieu thereof "5 per centum".

(b) **FLOOR STOCKS REFUND.**—Subchapter A of chapter 29 (relating to manufacturers' excise taxes) is hereby amended by adding at the end thereof a new section as follows:

"SEC. 3416. FLOOR STOCKS REFUND ON REFRIGERATORS, QUICK-FREEZE UNITS, AND ELECTRIC, GAS, AND OIL HOUSEHOLD APPLIANCES.

"(a) **IN GENERAL.**—Where before April 1, 1954, any article subject to the tax imposed by section 3405 (a), section 3405 (b), or section 3406 (a) (3) has been sold by the manufacturer, producer, or importer, and on such date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the tax made applicable to such article on and after April 1, 1954, if such manufacturer, producer, or importer—

"(1) has paid such amount as reimbursement to the dealer who held such article on April 1, 1954; and

"(2) files claim for such credit or refund before August 1, 1954.

"(b) **DEFINITION OF DEALER.**—As used in this section, the term 'dealer' includes a wholesaler, jobber, distributor, or retailer. For the purposes of this section, an article shall be considered as 'held by a dealer' if title thereto has passed to such dealer (whether or not deliv-

ery to him has been made), and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

“(c) **LIMITATION ON ELIGIBILITY.**—No person shall be entitled to credit or refund under this section unless he has in his possession such evidence of the inventories with respect to which he has made the reimbursements described in subsection (a) as may be required by regulations prescribed under this section.

“(d) **PENALTIES AND ADMINISTRATIVE PROCEDURES.**—All provisions of law, including penalties, applicable in respect of the taxes imposed under sections 3405 (a), 3405 (b), and 3406 (a) (3) shall, insofar as applicable and not inconsistent with this section, be applicable in respect of the credits and refunds provided for in this section to the same extent as if such credits or refunds constituted credits or refunds of such taxes.”

SEC. 306. EFFECTIVE DATE OF TITLE III.

For effective date of this title, see section 505 (a).

TITLE IV—TAX ON COMMUNICATIONS

SEC. 401. TAX ON TELEGRAPH, TELEPHONE, RADIO, AND CABLE FACILITIES.

(a) **TELEPHONE MESSAGES, ETC.**—Section 3465 (a) (1) (A) (relating to tax on telephone messages, etc.) is hereby amended by striking out “20 per centum” and inserting in lieu thereof “10 per centum”.

(b) **TELEGRAPH, CABLE, AND RADIO DISPATCHES.**—Section 3465 (a) (1) (B) (relating to tax on telegraph, cable, and radio dispatches or messages) is hereby amended by striking out “15 per centum of the amount so paid, except that in the case of each international telegraph, cable, or radio dispatch or message the rate shall be 10 per centum” and inserting in lieu thereof the following: “10 per centum of the amount so paid”.

(c) **LEASED WIRE SERVICE.**—Section 3465 (a) (2) (A) (relating to tax on leased wire service, etc.) is hereby amended by striking out “15 per centum” and inserting in lieu thereof “10 per centum”.

(d) **WIRE AND EQUIPMENT SERVICE.**—Section 3465 (a) (2) (B) (relating to tax on wire and equipment service) is hereby amended to read as follows:

“(B) A tax equivalent to 8 per centum of the amount paid for any wire and equipment service (including stock quotation and information services, burglar alarm or fire alarm service, and all other similar services, but not including service described in subparagraph (A)).”

(e) **LOCAL TELEPHONE SERVICE.**—For reduction in rate of tax on local telephone service, see section 504 (a).

SEC. 402. EFFECTIVE DATE OF TITLE IV.

(a) **IN GENERAL.**—Subject to the provisions of subsection (b), the amendments made by section 401 shall apply with respect to amounts paid on or after April 1, 1954, for services rendered on or after such date.

(b) **AMOUNTS PAID PURSUANT TO BILLS RENDERED.**—The amendments made by section 401 shall not apply with respect to amounts paid pursuant to bills rendered before April 1, 1954. In the case of amounts paid pursuant to bills rendered on or after such date for services for which no previous bill was rendered, such amendments shall apply except with respect to such services as were rendered more than 2 months before such date. In the case of services rendered more

than 2 months before such date the provisions of sections 1650 and 3465 of the Internal Revenue Code in effect at the time such services were rendered shall apply to the amounts paid for such services.

(c) **TECHNICAL AMENDMENT.**—Section 1658 is hereby repealed.

TITLE V—MISCELLANEOUS TAXES

SEC. 501. TAX ON SAFE DEPOSIT BOXES.

Section 1850 (a) (relating to tax on the use of safe deposit boxes) is hereby amended by striking out "20 per centum" and inserting in lieu thereof "10 per centum".

SEC. 502. TAX ON PISTOLS AND REVOLVERS.

Section 2700 (a) (relating to tax on pistols and revolvers) is hereby amended by striking out "11 per centum" and inserting in lieu thereof "10 per centum".

SEC. 503. TAX ON TRANSPORTATION OF PERSONS, ETC.

For reduction in rate of taxes on the transportation of persons and on seats, berths, etc., see section 504 (a).

SEC. 504. TECHNICAL AMENDMENTS.

(a) **TERMINATION OF TAX RATES UNDER SECTION 1650.**—Section 1650 (relating to war tax rates of certain miscellaneous taxes) is hereby amended by inserting after "beginning with the effective date of title III of the Revenue Act of 1943" the following: "and ending March 31, 1954,".

(b) **RATE REDUCTION DATE.**—Section 1659 (relating to definition of "rate reduction date") is hereby amended to read as follows:

"SEC. 1659. DEFINITION OF 'RATE REDUCTION DATE'.

"For the purposes of this chapter the term 'rate reduction date' means April 1, 1954."

(c) **FLOOR STOCKS REFUNDS ON ELECTRIC LIGHT BULBS.**—Section 1657 (a) (relating to floor stocks refunds on electric light bulbs) is hereby amended (1) by striking out "the tax that would have been paid if section 1650 had not been applicable" and inserting in lieu thereof the following: "the tax that would have been paid if the applicable rate had been 10 per centum"; and (2) by striking out "prior to the expiration of three months after the rate reduction date" and inserting in lieu thereof the following: "prior to August 1, 1954, based upon a request for reimbursement submitted by such person to the manufacturer or producer of such article prior to July 1, 1954".

(d) **BOWLING ALLEYS AND BILLIARD AND POOL TABLES.**—The first sentence of section 3268 (a) (relating to tax on bowling alleys, and billiard and pool tables) is hereby amended to read as follows: "Every person who operates a bowling alley, billiard room, or pool room shall pay a special tax of \$20 per year for each bowling alley, billiard table, or pool table."

SEC. 505. EFFECTIVE DATES.

(a) The amendments made by title I, title III, and section 502, and the amendment made by section 504 (a) insofar as it affects the rates of the retailers' excise taxes imposed by sections 2400, 2401, and 2402 of the Internal Revenue Code and the rate of the manufacturers' excise tax imposed by section 3406 (a) (10) of such Code, shall apply only with respect to articles sold on or after April 1, 1954. For the purposes

of the preceding sentence, an article shall not be considered sold before April 1, 1954, unless possession or right to possession passes to the purchaser before such date. In the case of—

- (1) a lease,
 - (2) a contract for the sale of an article wherein it is provided that the price shall be paid by installments and title to the article sold does not pass until a future date notwithstanding partial payment by installments,
 - (3) a conditional sale, or
 - (4) a chattel mortgage arrangement wherein it is provided that the sales price shall be paid in installments,
- entered into before April 1, 1954, payments made on or after April 1, 1954, shall, for purposes of this subsection, be considered as payments made with respect to articles sold on or after April 1, 1954.

(b) The amendment made by section 501 shall apply only with respect to amounts paid on or after April 1, 1954.

(c) The amendment made by section 504 (a) shall apply—

(1) insofar as it affects the rate of the tax imposed by section 1700 (a) (1) of the Internal Revenue Code, with respect to amounts paid for admissions on or after April 1, 1954, but, in the case of any season ticket or subscription, only if all the admissions under such ticket or subscription can occur only on or after April 1, 1954;

(2) insofar as it affects the rates of the taxes imposed by subsections (b), (c), and (e) of section 1700 of the Internal Revenue Code, as though the rates listed under the heading "Old Rate" in the table in section 1650 of such Code were the rates established by the amendments made by title II of this Act;

(3) insofar as it affects the rates of the taxes imposed by subsections (a) (1) (A), (a) (2) (A), and (a) (2) (B) of section 3465 of the Internal Revenue Code, as though the rates listed under the heading "Old Rate" in the table in section 1650 of such Code were the rates established by the amendments made by section 401 of this Act;

(4) insofar as it affects the rate of the tax imposed by section 3465 (a) (3) of the Internal Revenue Code, as though such amendment were an amendment made by section 401 of this Act; and

(5) insofar as it affects the rates of the taxes imposed by section 3469 of the Internal Revenue Code, with respect to amounts paid for or in connection with transportation which begins on or after April 1, 1954.

SEC. 506. SPECIAL CREDIT OR REFUND OF TRANSPORTATION AND ADMISSIONS TAXES.

Notwithstanding any other provision of law, in any case in which tax has been collected prior to April 1, 1954, at the rate in effect (without regard to the amendments made by this Act) prior to April 1, 1954, for or in connection with the transportation of persons which begins on or after April 1, 1954, or for admissions (referred to in section 201, other than subsections (b), (c), and (g) thereof, of this Act) on or after April 1, 1954, the person who collected the tax shall pay the same over to the United States; but credit or refund (without interest) of the tax collected in excess of that applicable (by reason of the amendments made by this Act) on or after April 1, 1954, shall be allowed to the person who collected the tax as if such credit or refund were a credit or refund under the applicable provision of the Internal Revenue Code, but only to the extent that, prior to the time such transportation has begun or prior to the event to which the right to admission relates, he has repaid the amount of such excess to the

person from whom he collected the tax, or has obtained the consent of such person to the allowance of the credit or refund. For the purpose of this Act, transportation shall not be considered to have begun on or after April 1, 1954, if any part of the transportation paid for (or for which payment has been obligated) commenced before April 1, 1954.

SEC. 507. SPECIAL FUELS.

(a) EXEMPTION FROM MANUFACTURERS' EXCISE TAX.—

(1) AMENDMENT OF SECTION 3412 (c).—Section 3412 (c) (2) (relating to manufacturers' excise tax on gasoline) is hereby amended to read as follows:

"(2) the term 'gasoline' means all products commonly or commercially known or sold as gasoline (including casinghead and natural gasoline)."

(2) CREDITS AND REFUNDS.—Except in the case of any liquid with respect to which tax was paid under section 3412 as in effect prior to the effective date of this section, clause (iii) of section 3443 (a) (3) (A) is hereby repealed, and clauses (iv), (v), (vi), and (vii) of section 3443 (a) (3) (A) are redesignated clauses (iii), (iv), (v), and (vi), respectively.

(b) IMPOSITION OF RETAILERS' EXCISE TAX.—Section 2450 of the Internal Revenue Code is hereby amended to read as follows:

"SEC. 2450. TAX.

"(a) DIESEL FUEL.—There is hereby imposed a tax of 2 cents a gallon upon any liquid (other than any product taxable under section 3412)—

"(1) sold by any person to an owner, lessee, or other operator of a diesel-powered highway vehicle, for use as a fuel in such vehicle; or

"(2) used by any person as a fuel in a diesel-powered highway vehicle unless there was a taxable sale of such liquid under paragraph (1).

"(b) SPECIAL MOTOR FUELS.—There is hereby imposed a tax of 2 cents a gallon upon benzol, benzene, naphtha, liquefied petroleum gas, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 3412 or subsection (a) of this section)—

"(1) sold by any person to an owner, lessee, or other operator of a motor vehicle, motorboat, or airplane for use as a fuel for the propulsion of such motor vehicle, motorboat, or airplane; or

"(2) used by any person as a fuel for the propulsion of a motor vehicle, motorboat, or airplane unless there was a taxable sale of such liquid under paragraph (1).

"(c) RATE REDUCTION.—On and after April 1, 1955, the taxes imposed by this section shall be 1½ cents a gallon in lieu of 2 cents a gallon."

(c) TECHNICAL AMENDMENTS.—

(1) CREDITS AND REFUNDS.—Section 2452 (a) (relating to credits and refunds) is hereby amended to read as follows:

"(a) NONTAXABLE USE OR SALE BY VENDEE.—A credit against tax under this chapter, or a refund, may be allowed or made to a person in the amount of tax paid by him under this chapter with respect to his sale of any liquid to a vendee for use as fuel in a diesel-powered highway vehicle, or with respect to his sale of benzol, benzene, naphtha, liquefied petroleum gas, or any other liquid to a vendee for use as fuel for the propulsion of a motor vehicle, motorboat, or airplane, if such person establishes, in accordance with regulations prescribed by the Secretary, that—

“(1) either—

“(A) the vendee used such liquid otherwise than as fuel in such a vehicle, motorboat, or airplane or resold such liquid; or

“(B) such liquid was used or was resold for use for any of the purposes, but subject to the conditions, provided in section 3451; and

“(2) such person has repaid or agreed to repay the amount of such tax to such vendee, or has obtained the consent of the vendee to the allowance of the credit or refund.

No interest shall be allowed with respect to any amount of tax credited or refunded under the provisions of this subsection.”

(2) **TAX-FREE SALES.**—Section 2453 (relating to tax-free sales) is hereby amended by striking out “as fuel in a diesel-powered highway vehicle” and inserting in lieu thereof “covered by this chapter”.

(3) **CERTAIN VESSELS.**—Chapter 20 (relating to special fuels) is hereby amended by adding at the end thereof the following new section:

“SEC. 2456. EXEMPTION OF SPECIAL MOTOR FUELS USED FOR CERTAIN VESSELS.

“The exemption from tax under chapter 29 provided in section 3451 shall also apply to the tax imposed under section 2450 (b).”

(4) **CLERICAL AMENDMENT.**—The heading of chapter 20 is hereby amended to read as follows:

“CHAPTER 20—SPECIAL FUELS”

(d) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on the first day of the first month which begins more than ten days after the date of the enactment of this Act. However, the tax imposed under section 2450 (b) shall not apply to any liquid which has been sold by a producer or importer prior to the effective date of this section and which is taxable under section 3412 (relating to gasoline tax) as in effect prior to the effective date of this section.

TITLE VI—ONE-YEAR EXTENSION OF CERTAIN EXCISE TAX RATES

SEC. 601. ONE-YEAR EXTENSION OF CERTAIN EXCISE TAX RATES.

(a) **EXTENSION OF RATES.**—The following provisions are hereby amended by striking out “April 1, 1954” each place it appears and inserting in lieu thereof “April 1, 1955”:

(1) The second sentence of section 2800 (a) (1) (relating to distilled spirits generally).

(2) The last sentence of section 2800 (a) (3) (relating to imported perfumes containing distilled spirits).

(3) Section 3030 (a) (1) (A) (relating to tax on still wines).

(4) Section 3030 (a) (2) (relating to tax on sparkling wines, liqueurs, and cordials).

(5) The second sentence of section 3150 (a) (relating to tax on fermented malt liquors).

(6) The second sentence of section 3412 (a) (relating to tax on gasoline).

(7) Section 2000 (c) (2) (relating to tax on cigarettes).

(8) Section 3403 (relating to tax on automobiles, etc.).

(b) **TECHNICAL AMENDMENTS.**—

(1) Section 1656 (relating to floor stocks refunds on distilled spirits, wines and cordials, and fermented malt liquors) is hereby amended by striking out "April 1, 1954" each place it appears and inserting in lieu thereof "April 1, 1955", and by striking out "May 1, 1954" and inserting in lieu thereof "May 1, 1955".

(2) Section 3412 (g) (relating to floor stocks refunds on gasoline) is hereby amended by striking out "April 1, 1954" each place it appears and inserting in lieu thereof "April 1, 1955", and by striking out "July 1, 1954" and inserting in lieu thereof "July 1, 1955".

(3) Section 2000 (g) (relating to floor stocks refunds on cigarettes) is hereby amended by striking out "April 1, 1954" each place it appears and inserting in lieu thereof "April 1, 1955", and by striking out "July 1, 1954" and inserting in lieu thereof "July 1, 1955".

(4) Section 3250 (1) (5) (relating to drawback in the case of distilled spirits used in the manufacture of certain nonbeverage products) is hereby amended by striking out "March 31, 1954" and inserting in lieu thereof "March 31, 1955".

(5) Section 497 of the Revenue Act of 1951 (relating to refunds on articles from foreign trade zones) is hereby amended by striking out "April 1, 1954" each place it appears and inserting in lieu thereof "April 1, 1955".

(c) FLOOR STOCKS REFUNDS ON AUTOMOBILES, ETC.—Section 3403 (relating to tax on automobiles, etc.) is hereby amended by adding at the end thereof the following new subsection:

"(f) FLOOR STOCKS REFUNDS.—

"(1) Where before April 1, 1955, any article subject to the tax imposed by subsection (a) or (b) has been sold by the manufacturer, producer, or importer, and is on such date held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after April 1, 1955.

"(2) As used in this subsection, the term 'dealer' includes a wholesaler, jobber, distributor, or retailer. For the purposes of this subsection, an article shall be considered as 'held by a dealer' if title thereto has passed to such dealer (whether or not delivery to him has been made), and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

"(3) Under regulations prescribed by the Secretary, the refund provided by this subsection may be made to the dealer instead of the manufacturer, producer, or importer, if the manufacturer, producer, or importer waives any claim for the amount so to be refunded.

"(4) When the credit or refund provided for in this subsection has been allowed to the manufacturer, producer, or importer, he shall remit to the dealer to whom was sold the article in respect of which the credit or refund was allowed so much of that amount of the tax corresponding to the credit or refund as was included in or added to the price paid or agreed to be paid by the dealer.

"(5) No person shall be entitled to credit or refund under this subsection unless (A) he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed under this

subsection, and (B) claim for such credit or refund is filed with the Secretary before July 1, 1955.

"(6) All provisions of law, including penalties, applicable in respect of the tax imposed under subsections (a) and (b) shall, insofar as applicable and not inconsistent with this subsection, be applicable in respect of the credits and refunds provided for in this subsection."

Approved March 31, 1954.

Public Law 325

CHAPTER 127

AN ACT

To provide for the establishment of a United States Air Force Academy, and for other purposes.

April 1, 1954
[H. R. 5337]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Air Force Academy Act".

Air Force Academy Act.

SEC. 2. There is hereby established in the Department of the Air Force a United States Air Force Academy, hereinafter referred to as the "Academy", for the instruction and preparation for military service of selected persons who shall be known as Air Force cadets.

SEC. 3. (a) The Secretary of the Air Force shall determine the location of the Academy within the United States in the following manner:

Location.

(1) The Secretary of the Air Force shall establish immediately a commission, and appoint five members thereof, to advise him in connection with the selection of a permanent location for the Academy. The commission shall make its report to the Secretary as soon as practicable.

(2) The Secretary shall accept the unanimous decision for a permanent location by such commission. In the event such recommendation is not unanimous, the commission by a majority vote shall submit to the Secretary three sites from which the Secretary shall select one as the permanent location.

(b) Following the selection of a location for the Academy, the Secretary of the Air Force is authorized—

(1) to acquire land from other Government agencies without reimbursement, with the consent of such agencies;

(2) to acquire lands and rights pertaining thereto, or other interests therein, including the temporary use thereof, by donation, purchase, exchange of Government owned lands, or otherwise, without regard to section 601, Act of September 28, 1951 (65 Stat. 365; 40 U. S. C. 551);

(3) to prepare plans, specifications, and designs, to make surveys and to do all other preparatory work, by contract or otherwise, as he deems necessary or advisable in connection with the construction, equipping and organization of the Academy at such location; and

(4) to construct and equip temporary or permanent Public Works, including buildings, facilities, appurtenances, and utilities, at such location.

SEC. 4. For the purpose of providing temporary facilities and enabling early operation of the Academy, the Secretary of the Air Force is authorized to provide for the erection of the minimum additional number of temporary buildings and the modification of existing structures and facilities at an existing Air Force base and to provide for the proper functioning, equipping, maintaining, and repairing thereof; and to contract with civilian institutions for such operation or instruction as he may deem necessary.

Temporary facilities.